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Mike



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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MAY 27 2014
DIV. OF OIL, GAS & MINING

Mrs. Sarah M. Fields
Uranium Watch
76 South Main Street, #7
PO Box 344
Moab, Utah 84532

MAY 23 2014

Re: Energy Fuels, Rim Mine, T. 31 S., R. 25 E., Section 29, West Summit, San Juan County, Utah

Dear Mrs. Fields:

The following is in response to your letters sent to Canyon Country District Manager, Lance Porter, dated April 15 and April 30, 2014, regarding the Bureau of Land Management's (BLM) administrative oversight of the plan of operations for the Rim Mine.

Five Year Review

The intent of 43 CFR §3809.424(a)(3) is for the BLM to review an operation and determine whether the operation is abandoned and whether BLM should take enforcement actions to terminate the plan of operations and direct final reclamation and closure. All "operations" as defined at 43 CFR §3809.5 are activities which the BLM may consider when determining whether an operation is abandoned. In making a determination of abandonment, the BLM applies the criteria listed under 43 CFR §3809.336(a). If the BLM determines the operation is abandoned it may initiate bond forfeiture and conduct the reclamation in accordance with 43 CFR §3809.424(a)(4). Examples of conditions that may indicate abandonment are: inoperable or non-mining related equipment left in the project area; removal of equipment and facilities from the project area; the project area is not being maintained; workers have been discharged; a financial guarantee has not been maintained; and, no sign of activity over an extended timeframe (e.g., 5 consecutive years).

The BLM conducts periodic inspections each year at the Rim Mine to ensure operations are in compliance with the approved plan of operations and are meeting all regulatory requirements. Based on routine site inspections and communication with the operator, the BLM has determined that the Rim Mine operation is not abandoned. The operation is currently in standby status and the operator is actively maintaining the site with a reasonable expectation that the price of uranium will recover and ore production will resume. The operator is doing regular mine facility maintenance and environmental monitoring and compliance activities. A financial guarantee is also being maintained to ensure reclamation.

Plan of Operations

On November 21, 1983, the BLM approved the plan of operations for the Rim Mine pursuant to the applicable regulations in effect at that time. The plan of operations has remained in effect since its approval in 1983. Operations approved prior to January 20, 2001 are not subject to the plan content requirements at 43 CFR §3809.401 or the performance standards at 43 CFR §3809.415 and 43 CFR §3809.420.

Ore production at the Rim Mine has been suspended and resumed several times over the years due to fluctuating uranium prices. During these periods of non-operation the operator has taken necessary measures to maintain the site in a safe and clean condition as required by regulations at 43 CFR §3809.3-7. However, until recently the operator had not filed a description of the measures to be taken when anticipating extended periods of non-operation, as required by regulations at 43 CFR §3809.1-5(c)(6).

On March 10, 2014, after being notified by the BLM, the operator filed an interim management plan which satisfies the requirements for the pre-2001 plan of operations by describing measures to be taken to maintain the site during extended periods of non-operation. These measures are deemed adequate to prevent "unnecessary or undue degradation" as defined at 43 CFR §3809.0-5(k).

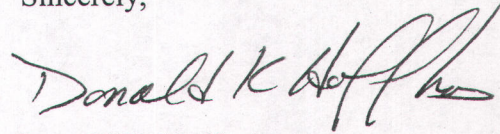
Environmental Assessment

The BLM conducted an environmental assessment (EA) in connection with its approval of the 1983 plan of operations for the Rim Mine. The BLM prepared the EA in conformance with National Environmental Policy Act (NEPA) guidelines and procedures in effect at that time. On November 14, 1983, after concluding the environmental review and determining reasonable measures to prevent unnecessary and undue degradation, the BLM Area Manager issued a Finding of No Significant Impact (FONSI) and signed a Decision Record (DR) to approve the plan of operations with stipulations.

NEPA requires that federal agencies perform environmental analysis before taking any "major Federal actions significantly affecting the quality of the human environment." (42 U.S.C. § 4332(2)(c)). In the case of the Rim Mine, the major Federal action was completed when the BLM approved the plan of operations. Accordingly, as far as the 1983 plan of operations is concerned, appropriate NEPA review took place and BLM's obligation under NEPA has been fulfilled.

If you have further questions, please contact Ted McDougall at (435) 587-1512.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald K. Hoffheins". The signature is fluid and cursive, with a prominent initial "D" and a stylized "H".

Donald K. Hoffheins
Monticello Field Manager

cc:

Lance C. Porter
Canyon Country District Manager

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